

Charter Township of Clinton



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40700 Romeo Plank Road
Clinton Twp., MI 48038-2900
Phone: (586) 286-8000

November 3, 2008

TO: Interested Parties

RE: Proposed Neighborhood Stabilization Program (NSP) Substantial
Amendment to 2008-2009 Housing and Community Development
Action Plan
Allocation \$2,147,608

The Neighborhood Stabilization Program (NSP) was established to provide emergency assistance for the redevelopment of abandoned and foreclosed homes and residential properties. NSP funds are considered Community Development Block Grant (CDBG) funds. A substantial amendment to the Clinton Township 2008-2009 Housing and Community Development Action Plan is being proposed to provide for the receipt and expenditure of NSP funds.

Eligible activities include:

- Acquisition and rehabilitation of abandoned or foreclosed homes that will be occupied by income eligible households.
- Demolition of blighted structures.
- Establishing financing mechanisms for purchase and redevelopment of foreclosed homes or residential properties.

Foreclosure prevention is not an eligible activity.

Attached you will find a copy of the Executive Summary from the proposed NSP Substantial Amendment (NSP Plan) which outlines the activities the Township plans undertaking with the NSP funds. Beginning November 13, 2008, the 2008-2009 NSP Plan will be published on the Townships website and available at the following location:

Charter Township of Clinton
Department of Planning and Community Development
40700 Romeo Plank Road
Clinton Township, MI 48038

**Comments may be submitted via the WEB SITE thru Sunday,
November 30, 2008.**

The NSP Plan will be finalized taking into account any comments received via the web site deadline. It is anticipated that the NSP Plan will be presented to the Clinton Township Board for adoption on November 17, 2008 at 6:30 p.m. The NSP funds will be available for expenditure after the NSP Plan is accepted by the U.S. Department of HUD.

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THE NSP SUBSTANTIAL AMENDMENT
CHARTER TOWNSHIP OF CLINTON 2008-2009 HOUSING AND
COMMUNITY DEVELOPMENT ACTION PLAN

EXECUTIVE SUMMARY:

The Neighborhood Stabilization Program (NSP) was established under Title III of Division B of the Housing and Economic Recovery Act of 2008 (HERA). NSP funds are considered Community Development Block Grant (CDBG) funds and unless specifically addressed by statute all of the rules and regulations covering CDBG apply to NSP.

The purpose of NSP is to provide emergency assistance for the redevelopment of abandoned and foreclosed homes and residential properties.

A substantial amendment to the Clinton Township 2008-2009 Housing and Community Development Action Plan is being adopted to provide for the receipt and expenditure of NFP funds. The Township anticipates receiving \$2,147,608 in NSP entitlement funds. These funds must be spent on eligible NSP activities to benefit NSP eligible households. The income of NSP eligible households must be less than or equal to 120 percent of Area Median Income (AMI). In addition, 25 percent of all NSP funds (entitlement and program income) must be spent on housing for households whose income does not exceed 50 percent of AMI. Attachment A is a schedule showing NSP income data.

For the purpose of NSP eligible households are divided into three income groups:

- Low Income (Low) $\leq 50\%$ AMI
- Moderate Income (Mod) $> 50\%$ AMI and $\leq 80\%$ AMI
- Middle Income (Mid) $> 80\%$ AMI and $\leq 120\%$ AMI

NSP funds must either directly benefit income eligible households or areas where more than 51 percent of the residents have incomes that are less than or equal to 120 percent of AMI, hereinafter called LMMI areas.

MSP funds must be distributed to the areas of greatest need, including those with the greatest percentage of homes foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identifies by the grantee as likely to face a significant rise in the rate of home foreclosures. The Township has identified five NSP Target Areas where the expenditure of funds will be targeted. These areas are described below. They are also displayed on the attached map along with LMMI areas.

- Area 1 is bound by 14 Mile Road on the south, Kelly Road on the west, 15 Mile Road on the north and the Township limits on the east with the exception of Census Tract 2418 Block Group 3..
- Area 2 is bound by 15 Mile Road on the south, Township limits on the east, 16 Mile Road on the north and Groesbeck on the west, excluding Census Tract 2412 Block Group 2..
- Area 3 is bound by Harrington Drain to the west, the Township limits to the north and 16 Mile Road to the south and Township limits to the east.
- Area 4 is bound by Census Tract 2404 Block Group 1 on the south, Hayes on the west, Garfield on the east and 19 Mile Road on the north.
- Area 5 is bound by Joy Boulevard on the north and the Township limits on the east, west and south.

Limited funds will be able to be expended in the LMMI areas outside the designated 5 areas.

PROPOSED NSP ACTIVITIES

Activity No.	Activity Title/Description	Proposed Allocation	Accomplishments/ Beneficiaries/ Location	Anticipated Start/ Completion Date
NSP-01	Downpayment & Rehabilitation Direct Assistance Assistance for NSP eligible households to purchase and rehabilitate abandoned or foreclosed properties that they will occupy as their principle residence.	\$ 1,295,945 - Total \$ 925,945 - Rehab \$ 370,000 – downpayment assistance (up to \$10,000-downpayment)	37 households/2 Low, 17 Mod, 18 Mid income households available Anticipate 20 in area 1, 8 in area 2, 7 in areas 3, 4 & 5 and 3 in balance of identified LMMI areas.	April 1, 2009-April 1, 2013
NSP-02	Acquire & Rehab vacant or foreclosed homes in a NSP area. The program will be available to families who are low income. The Township will partner with a non-profit housing agency to place eligible families in the home.	\$ 536,902	5 Low income homes Anticipate the 5 to be located in Area 1,2,3 or 5	April 1, 2009-April 1, 2013
NSP-03	Demolition of Blighted Residential Structures In LMMI areas, at least 75% will be NSP Target Areas.	\$ 100,000	10 blighted residential structures/75% will be in NSP Target Areas	Feb.1, 2009-Sept. 30, 2010
NSP-04	NSP Administration (Entitlement)	\$ 214,761	N/A	N/A

ATTACHMENT A

NSP Income Data: Percent Area Median Income (AMI) Adjusted for Household Size

Household Size	50% AMI Low Income	120%AMI Middle Income
1	\$24,450	\$ 58,700
2	27,950	67,100
3	31,450	75,500
4	34,950	83,900
5	37,750	90,600
6	40,550	97,300
7	43,350	104,000
8	46,150	110,700

NSP SUBSTANTIAL AMENDMENT

Charter Township of Clinton
40700 Romeo Plank Road
Clinton Township, MI 48038
Web Site: www.clintontownship-mi.gov
NSP Contact Person: Joseph J. Silbernagel AICP
Planning Department
40700 Romeo Plank Road
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Fax: (586) 263-8025
e-mail: j.silbernagel@clintontownship-mi.gov

AREAS OF GREATEST NEED

The Charter Township of Clinton, an entitlement community, will be administering the Neighborhood Stabilization Program (NSP)

In assessing the areas of greatest need by geographic areas the Township had the foreclosure and abandonment risk score plotted by Census Tract and Block Group for the Township. In addition the Township plotted; income level eligibility, high cost loan rates, residential vacancy rate, foreclosure/abandonment risk score, 18 month foreclosure rate and unemployment rate (see attached maps A-F). The Township also plotted foreclosed property in the Township (Map G).

The resulting 5 NSP target areas identified, keeping with Census Tracts and Block Group boundaries for all areas are LLMI eligible (see Map A).

Area 1 bounded by Kelly on the west, Township limits on the east, 14 Mile Road on the south and 15 Mile Road on the north, with exception of Census Tract 2418 Block group 3. This area contains the most foreclosed properties (see Map D).

Area 2 bounded by Groesbeck Highway on the west, Township limits on the east, 15 Mile Road on the south and Metropolitan Parkway on the north, excluding Census Tract 2412 Block Group 2. This area scores high on foreclosure/abandonment risk (see Map D).

Area 3 Bounded by Harrington Drain on the west, City limits of Mt. Clemens on the north, Union Lake Road on the east and Metropolitan Parkway on the south. This area has a high foreclosure/abandonment risk (see Maps E & D).

Area 4 bounded by Hayes on the west, Garfield on the east, Census Tract 2404 Block Group 1 on the south and 19 Mile Road on the north. This area has a higher foreclosure/abandonment risk and vacancy score (see Maps C & D).

Area 5 bounded by Joy Boulevard on the north and the City limits of Mt. Clemens on the south, east and west. This area has a high foreclosure/abandonment risk and a higher predicted 18 month foreclosure rate (see Map E & D).

DISTRIBUTION AND USES OF FUNDS

The Township will utilize \$2,147,608 allocated to NSP. The Township will expend funds in the identified low, moderate and middle incomes areas as identified on the attached map A. The Township

has a list of approximately 570 foreclosed residential properties. The greatest numbers of home foreclosures are in Areas 1, 2 and 3, identified on the attached Map D. The highest percentage of sub prime mortgage related high cost loan rates indicates Areas 1 and 2 are highest risk (see Map B). Pursuant to numbers generated on predicted 18 month foreclosure rate Areas 1, 2, 3, 4 and 5 (see Map E).

Area 4 was determined to be an NSP area based on estimated foreclosure/abandonment risk score and vacancy score (see Maps D & E).

DEFINITIONS AND DESCRIPTIONS

Bighted Structure: The Township will utilize the Clinton Township Building and Housing Code 1468.04 for the definition of blighted structure.

No building or structure, whether now existing or hereafter erected, shall be left in a dangerous or hazardous condition by virtue of disrepair, depreciation, damage by fire, collapse or act of God or by virtue of any other cause, but shall be forthwith repaired or rehabilitated, and the dangerous or hazardous condition removed by the owner or occupant thereof, or in the alternative, torn down and removed and any excavation thereunder filled to grade level.

No building so damaged or destroyed to such an extent that the cost of repair and rehabilitation to place it in a safe, sound and sanitary condition exceeds fifty percent of the assessed valuation of the building, at the time the repair or rehabilitation is to be made, shall be repaired or rehabilitated, unless it is made to comply in all respects with the provisions of all Clinton Township ordinances governing such building. Any building so damaged or destroyed to such an extent that the cost of repair and rehabilitation to place it in a safe, sound and sanitary condition exceeds 100 percent of the assessed valuation, at the time the repair or rehabilitation is to be made, shall be deemed unfit for human habitation and shall be immediately vacated, and unless made to comply with all the provisions of this Building and Housing Code, shall be demolished and removed. (Ord. 169)

AFFORDABLE RENTS

Response: At the present time the Township does not propose undertaking any activities that will produce units of rental housing. If the Township did undertake such an activity, the units produced would be required to be leased at or below **Fair Market Rent (FMR)** – The monthly rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. Periodical published in the Federal Register in accordance with 24 CFR part 888. This requirement would be enforced through deed restrictions and a lien in the amount of the total NSP investment in the project. The period of affordability would be based on the average per unit investment of NSP funds according to the following table.

AFFORDABILITY PERIOD FOR RENTAL UNITS

Affordability Period	Average Amount of NSP Funds Invested Per Rental Unit
5 Years	Less than \$15,000
10 Years	\$15,000 - \$40,000
15 Years	Greater than \$40,000

CONTINUED AFFORDABILITY FOR NSP ASSISTED HOUSING

Housing participating in this NSP activity could receive a total of \$35,000. This amount will be distributed as follows: \$10,000 for assistance with the downpayment and closing cost to purchase an NSP eligible single family home they will occupy as their primary residence and up to \$25,000 to make repairs necessary to achieve compliance with the Building Department requirements.

The assistance the homebuyer receives from the Township will be a loan subject to recapture during a ten-year period. The loan for downpayment and rehab assistance will be secured by a second lien on the property purchased. Payments on the loan will be deferred and the loan will be forgiven on the tenth anniversary at the end of the affordability period. If the homebuyer sells the home, or ceases to use it as a principal residence during the affordability period the NSP funds will be recaptured thru lien on the property. The recaptured funds will be used for additional NSP eligible activities (program income) or returned to Treasury as required by NSP rules and regulations.

If the sale of the home will not result in sufficient funds to repay both the NSP funds and the homebuyer's investment in the property, the CDBG Rehab Board may, upon appeal from the homebuyer, reduce the amount of NSP funds to be repaid based upon the time the buyer owned and occupied the property. Decisions of the CDBG Rehab Board to accept less than full repayment of the NSP funds will be made on a case by case basis. Upon recapture, the affordability period ends, allowing the owner to sell the home without restriction.

REHABILITATION STANDARDS

At a minimum, all homes assisted under NSP will be brought into compliance with the current Townships Building Code and International Property Maintenance Code. Lead Based Paint will be addressed as required by HUD regulations.

LOW INCOME TARGETING

Identify the estimated amount of funds appropriated or otherwise made available under NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose income do not exceed 50 percent of area median income is \$536,902.

ACQUISITION AND RELOCATION

The Township anticipates acquiring 10 blighted housing structures that will be demolished. No relocation will take place. Approximately 9 out of 10 will be in the $\leq 80\%$ of area median income

PUBLIC COMMENT

The Plan was on the Township agenda for review and comment and published in the Macomb Daily.

Information on public comments will be entered at the end of the public comment period which will be Sunday, November 30, 2008. The Public can e-mail comments on the Plan. The Plan was placed on the Township's WEB site on November 13, 2008.

NSP INFORMATION BY ACTIVITY

1. Activity Name: **NSP-01 Downpayment and Rehabilitation Assistance.**

2. Activity Type: This is an NSP eligible activity type A. Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties. Downpayment assistance is an eligible CDBG activity under 24CFR570.201 (n) Direct Homeowner Assistance. Rehabilitation of single family homes is eligible CDBG activity under 24CFR570.202(a)(1)
3. National Objective: *(Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., $\leq 120\%$ if area median income)*
As participation will be limited to households at to below 120% of median income this activity will meet the national objective.
4. Projected Start Date: It is anticipated that funds will be obligated for assistance to the first household no later than April 1, 2009.
5. Project End Date: It is anticipated that funds will be expended for assistance to the last household no later than October 30, 2010.
6. Responsible Organization: *(Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)*
This activity will be implemented directly by the Charter Township of Clinton – NSP operating out of the Planning Department, 40700 Romeo Plank Road. Administrator Contact: Joseph J. Silbernagel, (586)286-9325.
7. Location Description: *(Description may include specific addresses, blocks or neighborhoods to the extent known.)* Funds made available under this activity may be used to purchase abandoned or foreclosed homes in eligible LMMI areas (see Map A).
8. Activity Description: *(Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.)*

For housing related activities, include:

- *tenure of beneficiaries-rental or homeownership;*
- *duration or term of assistance;*
- *a description of how the design of the activity will ensure continued affordability.*

For acquisition activities, include:

- *discount rate*

For financing activities, include:

- *range of interest rates*

Funds allocated for this activity will be used to provide income eligible homebuyers who don't currently own a home with \$10,000 to be used for downpayment and closing cost assistance to purchase a foreclosed or abandoned home. The purchase price must be at least 5 percent below the current market appraised value as defined above. Prior to execution of a purchase agreement, the home must be inspected for compliance with the Townships property maintenance code and an estimate of the cost to bring the home into compliance with the property maintenance code and address any existing or

presumed lead-based paint hazards must be prepared. The Township will provide a loan of up to \$25,000 to pay for the cost of work needed to obtain compliance with the property maintenance code (obtain a certificate of occupancy) and address existing or presumed lead-based paint hazards. Funds will also be utilized out of project costs to provide 8 hours of Housing Counseling.

The assistance the homebuyer receives from the Township will be a loan subject to recapture during a ten-year affordability period. The loan will be secured by a second lien on the property purchased. Payments on the loan will be deferred and the loan will be forgiven on the ten-year anniversary at the end of the affordability period. If the homebuyer fails to make the repairs necessary to receive a certificate of occupancy, sells the home, or ceases to use it as a principal residence during the affordability period, the NSP funds will be recaptured. The recaptured funds will be used for additional NSP eligible activities or returned to Treasury as required by NSP rules and regulations.

If the sale of the home will not result in sufficient funds to repay both the NSP funds and the homebuyer's investment in the property, the CDBG Rehab Board may, upon appeal from the homebuyer, reduce the amount of NSP funds to be repaid based upon the time the buyer owned and occupied the property. Decisions of the CDBG Rehab Board to accept less than full repayment of the NSP funds will be made on a case by case basis. Upon recapture, the affordability period ends, allowing the owner to sell the home without restriction. The recapture is program income.

NSP income eligible buyers are often excluded from purchasing abandoned or foreclosed homes because they don't have access to the financial resources needed to make the homes safe for occupancy. This activity will address that need. It will also help stabilize neighborhoods by encouraging households that will be owner occupants to purchase abandoned and foreclosed homes. This activity does intend to target those households below 50% AMI.

Total Budget: *(Include public and private components)* \$925,945 in Rehab assistance, \$370,000 in Downpayment Assistance.

Performance Measures: *(e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below 51-80 percent, and 81-120 percent)* 37 housing units will be acquired and rehabilitated. Anticipated distribution of beneficiaries 2-low income, 17-mid income, 18-mid income.

1. Activity Name: **NSP-02 Acquisition and Rehabilitation of Abandoned/Foreclosed Homes**
2. Activity Type: This is an NSP eligible activity B. Establish partnerships with non-profit housing to acquire and rehab abandoned/foreclosed homes that are made available to low income families to own their own homes. Acquisition is eligible CDBG activity under 24 CFR 570.201(c). Rehabilitation of single family homes is eligible CDBG activity under 24CFR 507.202(a)(1).
3. National Objective: *(must be a national objective benefiting low, moderate, and middle income persons, as defined in NSP Notice – i.e. $\leq 120\%$ if area median income)* Participation will be limited to low income families which will meet the national objective.
4. Projected Start Date: It is anticipated funds will be obligated for assistance to the first household on later than April 1, 2009.

5. Project End Date: It is anticipated funds will be expended for assistance to the last household no later than October 30, 2010.
6. Responsible Organization: *(Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)*
This activity will be implemented directly by the Charter Township of Clinton – NSP operating out of the Planning Department, 40700 Romeo Plank Road. Administrator Contact: Joseph J. Silbernagel, (586)286-9325.
7. Location Description: *(Description may include specific addresses, blocks or neighborhoods to the extent known.)* Funds made available under this activity may be used to purchase abandoned or foreclosed homes in eligible LMMI areas (see Map A).
8. Activity Description: *(Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.)*

For housing related activities, include:

- *tenure of beneficiaries-rental or homeownership;*
- *duration or term of assistance;*
- *a description of how the design of the activity will ensure continued affordability.*

For acquisition activities, include:

- *discount rate*

For financing activities, include:

- *range of interest rates*

Funds allocated for this activity, approximately \$107,000 per home to acquire and rehab, to provide low income eligible homebuyers who don't currently own a home. The Township will partner with a non-profit housing agency to acquire and rehab a foreclosed home and place a eligible low income family in the home.

The purchase price will be at least 5 percent below the current market appraisal. The assistance the homebuyer receives from the Township will be a loan subject to recapture during a ten-year affordability period. The loan will be secured by a second lien on the property purchased. Payments on the loan will be deferred and the loan will be forgiven on the ten-year anniversary at the end of the affordability period.

If the homeowner sells the home, or ceased to use it as a principal residence during the affordability period, the NSP funds will be recaptured. The recaptured program income funds will be used for additional NSP eligible activities or returned to Treasury as required by NSP rules and regulations.

If the sale of the home will not result in sufficient funds to repay both the NSP funds and the homebuyer's investment in the property, the CDBG Rehab Board may, upon appeal from the homebuyer, reduce the amount of NSP funds to be repaid based upon the time the buyer owned and occupied the property. Decisions of the CDBG Rehab Board to accept less than full repayment of the NSP funds will be made on a case by case basis. Upon recapture, the affordability period ends, allowing the owner to sell the home without restriction.

NSP income eligible buyers are often excluded from purchasing abandoned or foreclosed homes because they don't have access to the financial resources needed to make the homes safe for occupancy. This activity will address that need. IT will also help stabilize neighborhoods by encouraging households that will be owner occupant to purchase abandoned and foreclosed homes. This activity does intend to target those households below 50% AMI.

Total Budget: (Include public and private components) \$536,902 in five houses to acquire and rehab.

Performance Measures: (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below 51080 percent, and 81-120 percent) 5 housing units will be acquired and rehabilitated. Anticipated distribution of beneficiaries 5-low income families.

1. Activity Name: **NSP-03 Demolition of Blighted Residential Structures**
2. Activity Type: This is an NSP eligible activity type D – Demolition of blighted structures. Clearance of blighted structures is an eligible CDBG activity under 24 CFR 570.201(d).
3. National Objective: As all structures demolished will be located in LMMI areas this activity will meet the national objective.
4. Projected Start Date: It is anticipated that funds will be obligated for demolition of the first structure no later than June 1, 2009.
5. Projected End Date: It is anticipated that all demolition activity will be completed by October 30, 2010.
6. Responsible Organization: This activity will be implemented directly by the Charter Township of Clinton-NSP operating out of the Planning Department, 40700 Romeo Plank Road. Contact: Joseph J. Silbernagel, (586) 286-9325
7. Location Description: All the structures demolished will be located in LMMI areas, at least 90 percent will be located in the NSP Target Areas.
8. Activity Description: Funding is allocated under this activity for the demolition of blighted vacant residential dwelling units. A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. More specifically, a blighted structure must be a dangerous building as defined in Building and Housing Code, Clinton Township 1468.04. In addition, the estimated cost to rehabilitate the structure in compliance with the Township's Property Maintenance Code must be greater than 50 percent of the estimated cost to rebuild.

Through this activity the Township is working to stabilize neighborhoods by removing blighting influences. The Township is benefiting NSP income eligible households by demolishing unsafe structures that might otherwise be rented or sold to households in need of affordable housing who don't have the knowledge to determine the home can not be economically repaired and/or the financial means to make the basic repairs that are needed to make the structure safe and sanitary.

Total Budget: \$100,000 entitlement

Performance Measures: It is anticipated the 10 blighted residential structures will be demolished.

1. Activity Name: **NSP-04 Administration**
2. Activity Type: N/A
3. National Objective: N/A
4. Projected Start Date: Immediately
5. Projected End Date: N/A
6. Responsible Organization: NSP administration will be the responsibility of the Charter Township of Clinton-NSP operating out of the Planning Department, 40700 Romeo Plank Road. Administrator: Joseph J. Silbernagel, (586) 286-9325.
7. Location Description: N/A
8. Activity Description: General NSP administration

Total Budget: \$214,761 entitlement

Performance Measures: N/A

NSP Income Data: Percent Area Median Income (AMI) Adjusted for Household Size

Household Size	50% AMI Low Income	120%AMI Middle Income
1	\$24,450	\$ 58,700
2	27,950	67,100
3	31,450	75,500
4	34,950	83,900
5	37,750	90,600
6	40,550	97,300
7	43,350	104,000
8	46,150	110,700

CERTIFICATIONS

(1) **Affirmatively furthering fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

(2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

(3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.

(4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.

(5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.

(6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

(7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.

(8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

(9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.

(10) **Use NSP funds \leq 120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.

(11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by

assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

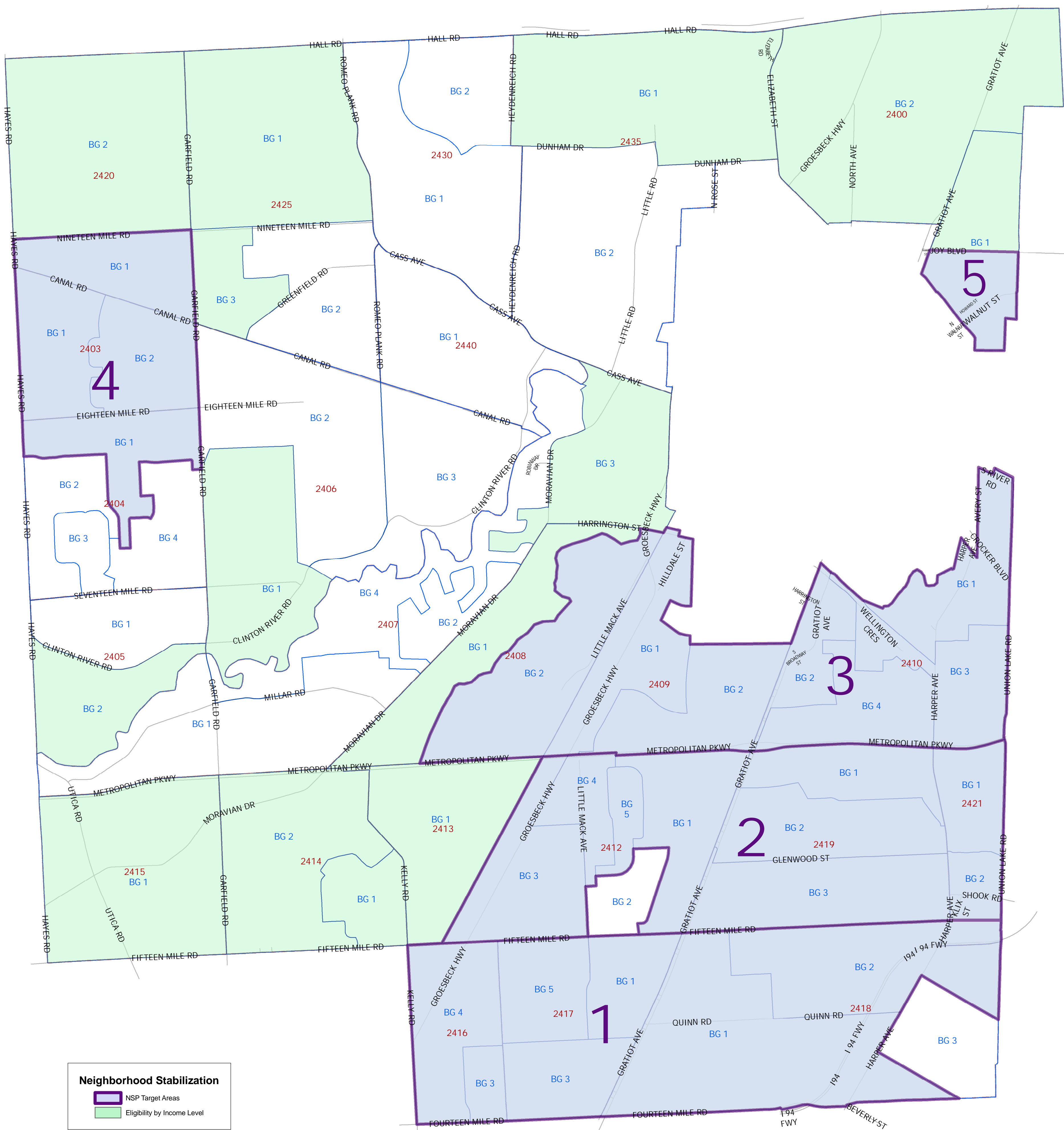
(15) **Compliance with laws.** The jurisdiction will comply with applicable laws.

Signature/Authorized Official

Date

Title

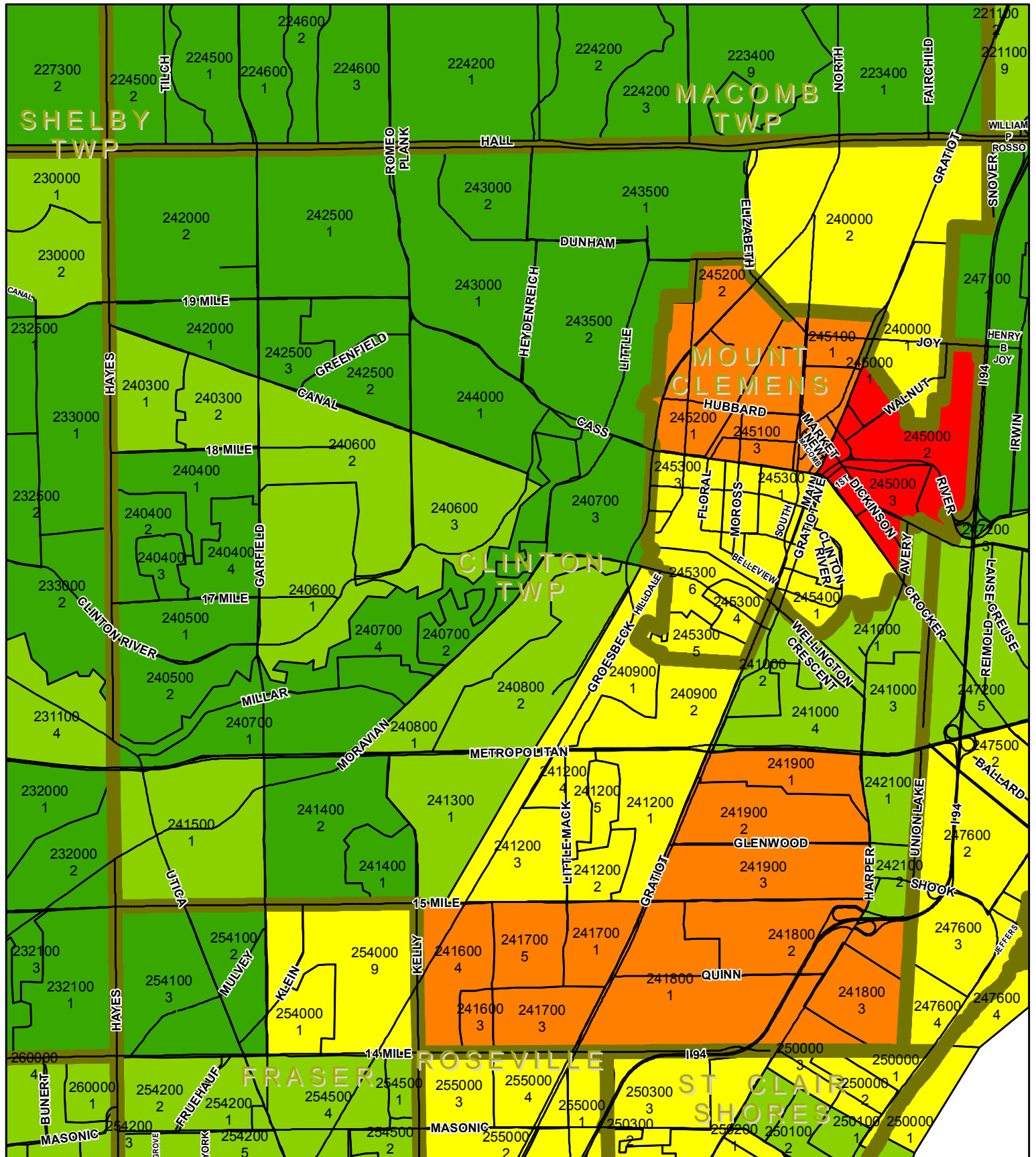
HUD Neighborhood Stabilization Program



HUD Neighborhood Stabilization Program High Cost Loan Rates

Home Mortgage Disclosure Act Defined High Cost Loan Rates

B



High Cost Loan Rates

HMDA High Cost Loans

- 0% - 17%
- 17.1% - 24%
- 24.1% - 33%
- 33.1% - 45.4%
- 45.5% - 63.2%

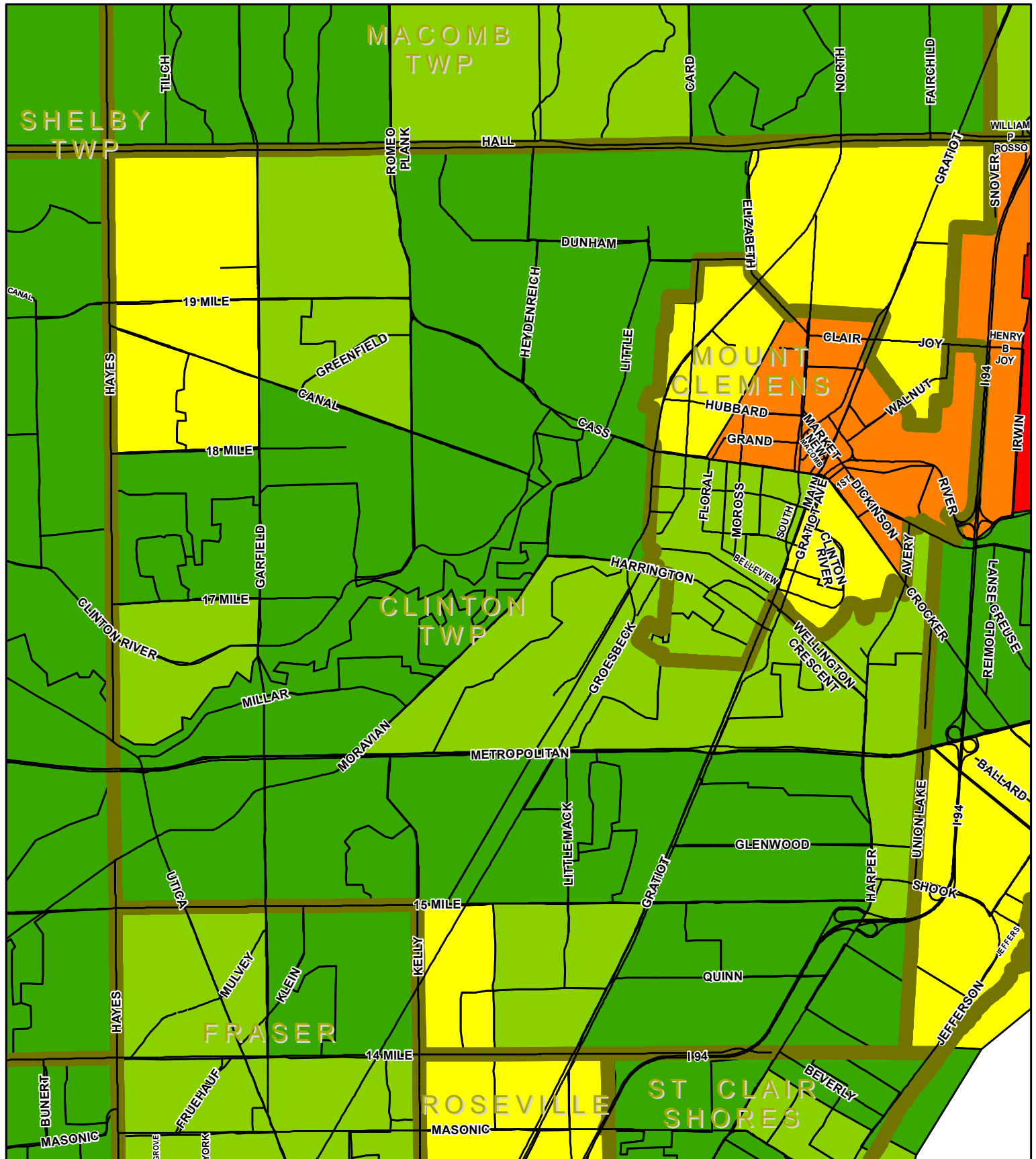
123400 U.S. Census Bureau Tract & Block Group Part Numbers
2

Source: HUD 2008 - Neighborhood Stabilization Program Supporting Data Set "MI 120 LM"

HUD Neighborhood Stabilization Program Residential Vacancy Rate

USPS Vacancy Rates (0% - 53.7%)

C



Residential Vacancy Rate

USPS Vacancy Rate (residential)

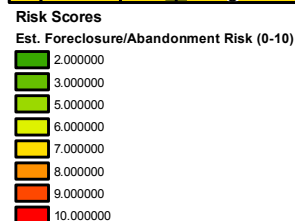
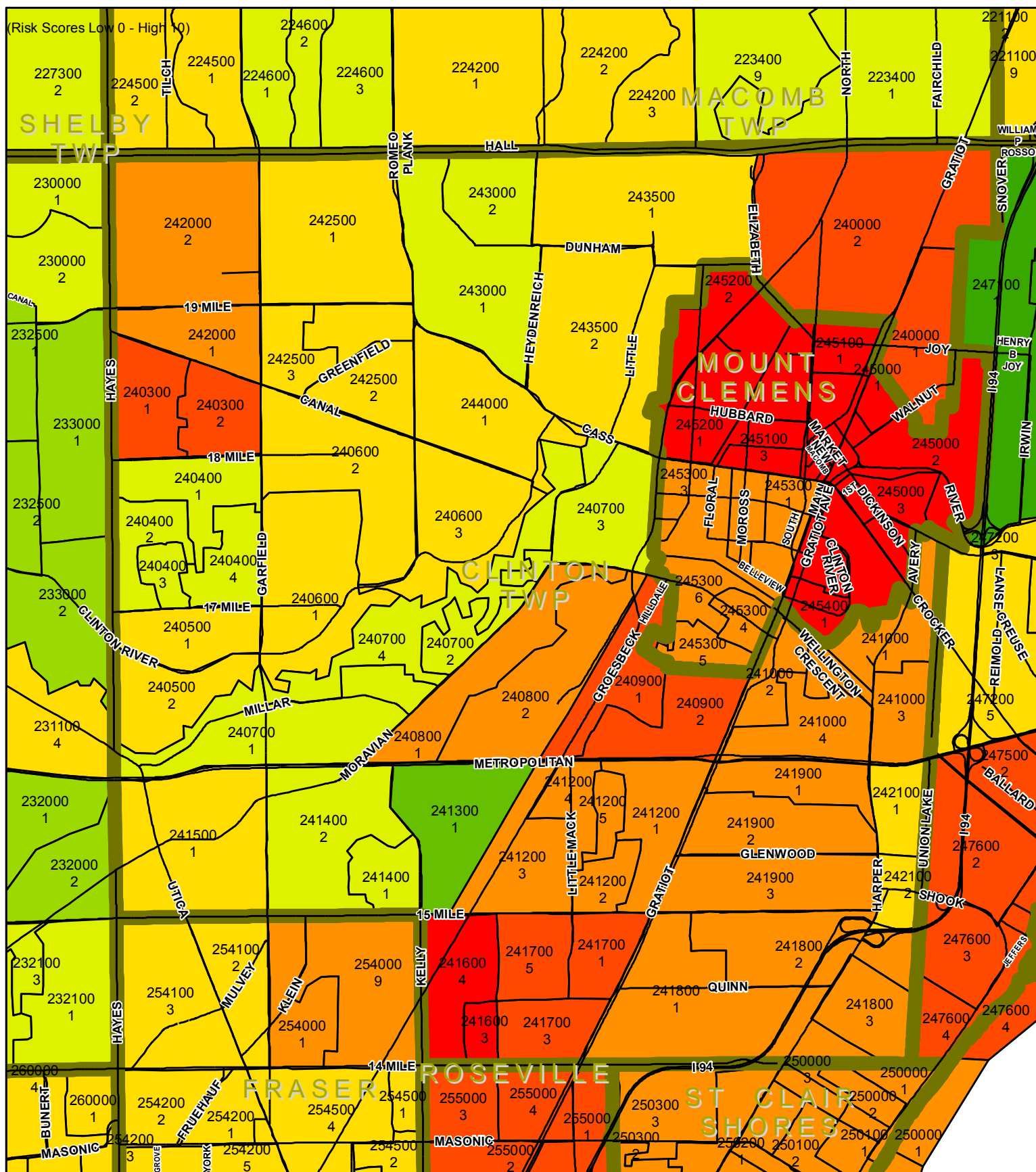
- 0% - 2%
- 2.1% - 4.4%
- 4.5% - 7.8%
- 7.9% - 15.1%
- 15.2% - 53.7%

123400 U.S. Census Bureau Tract & Block Group Part Numbers
2

Source: HUD 2008 - Neighborhood Stabilization
Program Supporting Data Set "MI 120 LM"

HUD Neighborhood Stabilization Program Estimated Foreclosure/Abandonment Risk Score

D



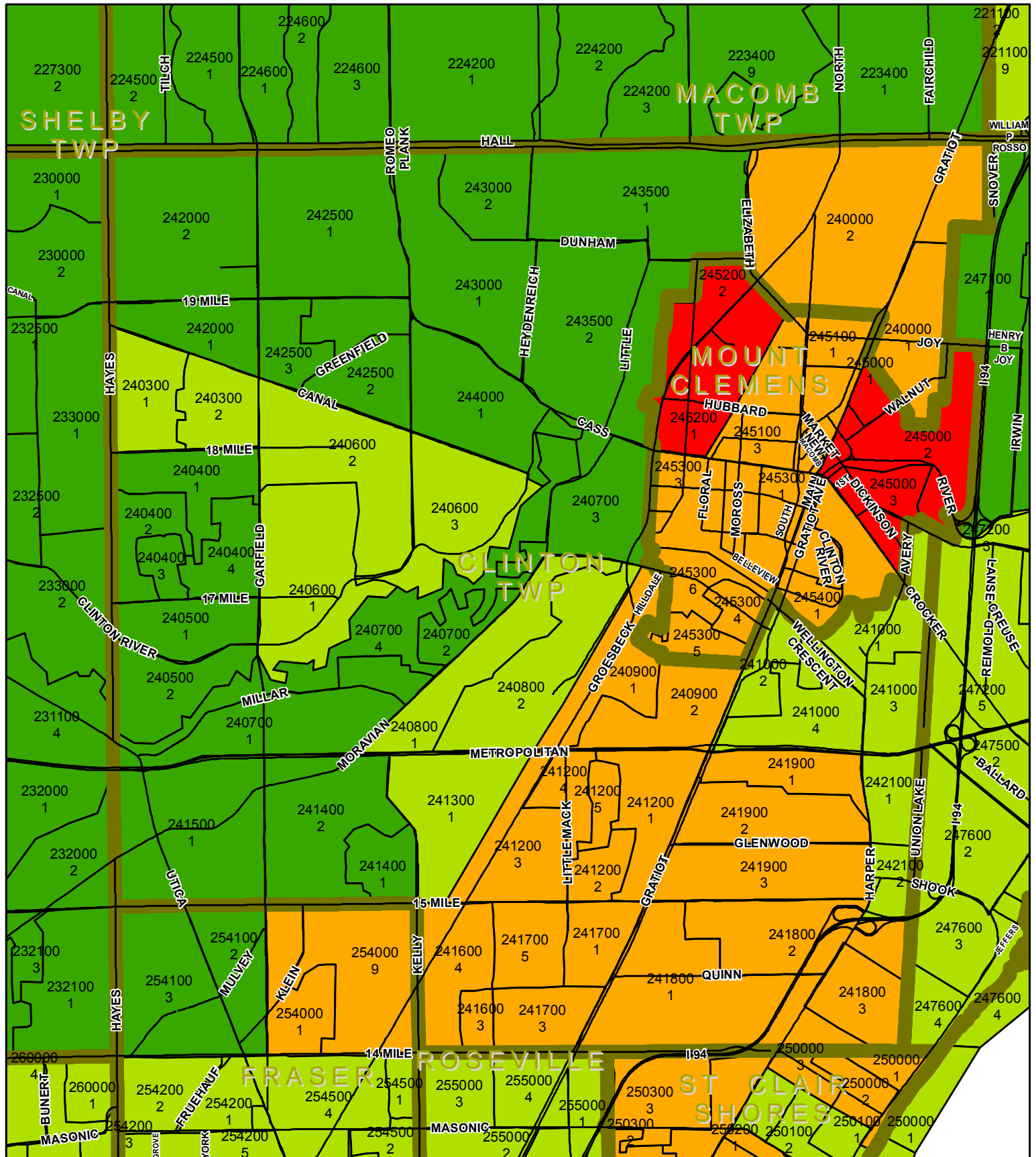
123400 U.S. Census Bureau Tract & Block Group Part Numbers

Source: HUD 2008 - Neighborhood Stabilization Program Supporting Data Set "MI 120 LM"

HUD Neighborhood Stabilization Program Predicted 18 Month Foreclosure Rate

(Estimated Rates Low 3.9% - High 14.8%)

E



Future Foreclosure Rates

Predicted 18 Month Foreclosure Rate

- 3.8% - 6.8%
- 6.8% - 8.5%
- 8.5% - 10.8%
- 10.9% - 14.8%

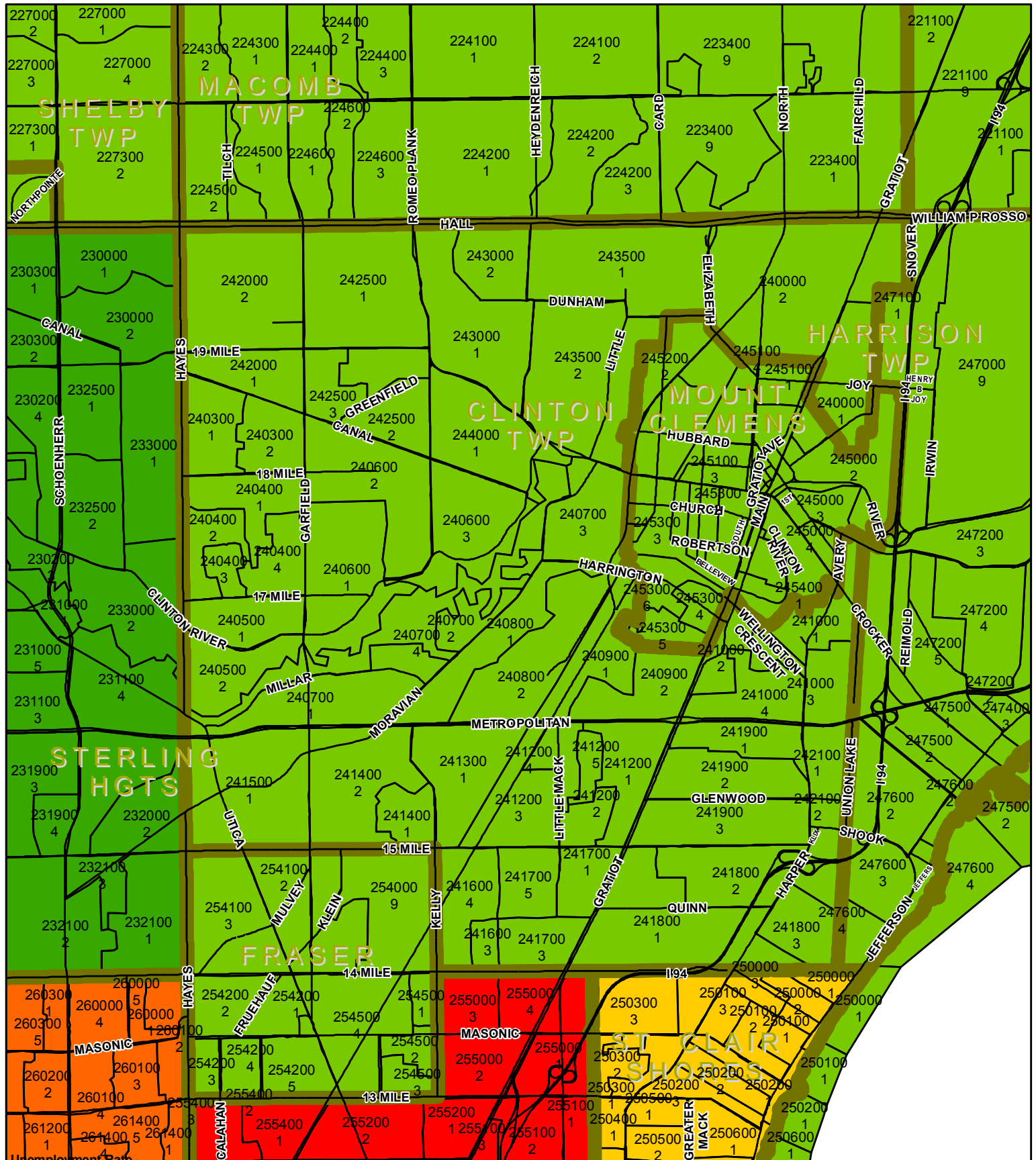
123400 U.S. Census Bureau Tract & Block Group Part Numbers
2

Source: HUD 2008 - Neighborhood Stabilization Program Supporting Data Set "MI 120 LM"

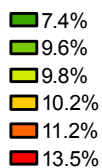
HUD Neighborhood Stabilization Program Unemployment Rate

(June 2008 Bureau of Labor and Statistics (7.4% - 13.5%))

F



June 2008 Bureau Labor Stats



123400 U.S. Census Bureau Tract & Block Group Part Numbers
2

Source: HUD 2008 - Neighborhood Stabilization Program Supporting Data Set "MI 120 LM"

Charter Township of Clinton Foreclosure Properties

